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Chinese Apocalypse

Eighteen months after the end of the war in the Pacific the outlook for China, a victorious nation and one of the so-called Five Big Powers, is dismal and discouraging; the opportunity of appropriating herself a substantial part of prewar Japanese trade in the Far East, of participating in the rehabilitation of the war-stricken economies of the area which was once known as the "Greater East Asia Co-prosperity Sphere", of quickly constructing modern light industrial plants in those parts of China where the Japanese had previously constructed certain bases and of establishing her credit among the nations—this opportunity irrevocably has passed and all hopes held by the Chinese people and its foreign friends the world over have been dashed.

The pitiable record of mutually disingenuous domestic peace negotiations, the merciless fanning and raging of a cruel and savage civil war, ever mounting exploitation of the common people in the cities and, most lamentably, in the country, the widening abyss between the rulers and the ruled, and the perversity and persistence with which the wealth of the nation is being progressively concentrated in the hands of the ruling few, these facts create in the unbiased observer a gripping presentiment of apocalyptic disasters.

No ray of light is discernible; no straw of hope one can grasp in the futile endeavour to convince oneself or one's friends that now the bottom of misery has been reached; even the confident blare of political propaganda has changed its tune to one of fatalistic, sinister and menacing overtones.

The Chinese people have been taught to suffer mutely and meekly; but the educated young generation has drawn many practical conclusions from what is learned, and it is now up in vocal rebellion against the power—and money-obsessed hierarchy. The mood of the young men and women of China is bodeful and impetuous. Caveat Censor!

While the storm is brewing in China and ever more violent typhoons sweep over the unfortunate country, the Hongkong typhoon shelter is about to burst with the increasing flood of human cargo which has drifted here.

Few years of comparative peace and temporary relief from oppression has been granted the Chinese people during the last one hundred years when Europeans came to know, to trade with, reside in, and appreciate China. Their settlements and concessions on Chinese soil—although maligned and, on the surface, opposed by the country's tuchuns and mandarins

—worked out to the inestimable boon of the Chinese people who sheltered where the foreigner's law and order were observed; much of China's wealth was created in the foreign settlements and most of China's good citizens were nurtured in the protected and peaceful quarters where foreigners resided. The return of foreign settlements and concessions to China, while caused by an act of State, was an inevitable and logical development; it was generally hoped that the modern China, after emerging victorious from the war due to the efforts of her Allies, will be able to continue the good management of those areas which previously were so well kept and organised by the various foreign authorities.

In this expectation Chinese and foreigners alike were bitterly disappointed.

History repeats itself! There are no longer foreign concessions in China but there is Hongkong, a friendly place where Chinese immigration is unrestricted and, therefore, to all intents and purposes, regarded by the Chinese people as similar to a foreign settlement. And it is to this friendly, peaceful, economically stable and well-ordered typhoon-shelter of Hongkong that increasing and despairing numbers of Chinese turn to. They want, like their fathers and grandfathers before them in Shanghai and Tientsin, to ride out the storm in Hongkong; they hope for an early solution of the Gordian knot problem of their country, they prefer an end with terror to the present terror without end, but they are prepared, like their fathers and grandfathers, to settle for good in the typhoon-shelter where prosperity smiles with more sincerity and less futility.

Repercussions of the New Official Exchange Rate of China

The enforcement of an official exchange rate of the US\$ in Shanghai and other Chinese cities has been accompanied by a great deal of martial and secret service fury without, however, resulting, at least publicly, in the sacrificing, decapitating or otherwise disposing of speculating malefactors. To judge by the great din created by the outraged official organs of directed public opinion one would have tremblingly expected the spectacle of the high and mighty speculators on the barbecue. But only a few measly interrogations and compilations of black lists were the upshot of all the excitement.

Shanghai is, of course, very cynical and, as some connoisseurs of international harbours aver, extraordinarily vicious;

still, ominous secret police statements hinting at assorted punishments have made even the hardboiled Szechuen Road brokers somewhat wary, with the effect that for at least one week after the solemn declaration of the new exchange rate no black market dared to organise itself. With blood and iron against the gold and US\$ dealing miscreants for the sake of a stable tapi!

What the gold policy of the Central Bank could not obviate, what appeals to patriotic sacrifices could not achieve, what no glorious victory over a "bandit" army in the far North could induce, now the alliance of secret police and stool-pigeon will do. Awards are offered, and the army of professional and occasional informers has been mobilised to drag the gold and US\$ dealers towards confiscatory justice; wealth will flow again from one pocket to another which is, of course, the proper redistribution of well or ill-gotten gold and, the crave of them all, the "Gold Dollar".

It seems that nobody in Hongkong has been unduly impressed with the success of the establishment of the new official exchange and gold buying prices. A very well-informed local financial source had this to report on the new exchange situation when an internationally best informed source abroad requested some enlightenment:

"The consensus of opinion is that the Chinese Dollar at 12,000 to US\$1 is still overvalued. According to press reports, exporters of China produce view the present setup with little more optimism than they did previously.

"The present regulations may be likened to an attempt to control by 'strong arm methods'. The fundamental economic weakness of China can only be improved by purely economic palliatives; but these are not at present in sight. In other words, the shutting down of black market operations by Blue Shirts and the late Tai Li's men will not bring into balance the national budget without which the inflationary process cannot be discontinued.

"A 'fiat' order that 12,000 Chinese dollars are worth US\$1, even if true at the time of its declaration, could not be true one month later if the printing presses necessarily continue to grind out notes. It may be true, however, that the 'strong arm tactics' will force certain disgorging of hoarded foreign exchange, gold, etc., which for a very brief time may form a limited balance-wheel to the inflationary spiral; but owing to the present chaotic conditions in China we doubt that this is a practical measure. As said before, the essential unbalance of China's economy has to be rectified.

"Obviously, the only economic palliative which can be effective is a foreign loan until such time as a balanced budget will be in prospect; and this appears unlikely at present. (A temporary loan from the United States without the assurance of a settlement with the Communists could be regarded but as a temporary measure and to postpone a recurrence of the recent upheaval.)

"There are no bright spots on the horizon."

British Trader's Outlook

A leading British importer reported recently from Shanghai on conditions and outlook there as follows:

The civil war is on. Large parts of the country are occupied by Communist force. Heavy fighting, or large scale troop movements, take place periodically, in different parts of the country. China is like a country divided into many small states, each hostile to each other. If trade and industry are possible, they are localised within the state; nothing can cross the frontiers of each state, because the neighbouring country is occupied by opposing forces.

The Shanghai district is well held by the Nanking Government, so that the large number of mills installed in this area are running profitably, even though the country as a whole is not open to receive the products of the mills. But whereas, in pre-war days, raw cotton came down to Shanghai from the distant provinces of Shantung, Shansi, Honan, and the middle and upper districts of the Yangtze, now the avenues of communication are closed, and most of the cotton used in the mills is imported from America and India, which accounts largely for China's large unbalanced excess of imports over exports. Meantime, the Mills are enjoying great prosperity, and they are wisely investing their profits in the purchase of new machinery.

Unfortunately there are no coal mines in the Shanghai district. Most of them are in the interior, and most are cut off from Shanghai by Communist pockets. Access to the Kailan Mines in North China has been maintained with difficulty, and only with the aid of American marines. The output of the Kailan Mines is steadily rising. Another accessible mine is the Huai-Nan Mine, in North Kiangsu. The large well equipped Chung Hsing Mines in Shantung; the Liu Ho Ko Mines in Honan; the British-owned Peking Syndicate mines in Honan; the Pinghsang Collieries in Hunan; and the Mentoukou Mines near Peiping, are all cut off from this district.

There will be few orders for mining equipment till the country is settled. The Chung Hsing Mines gave some orders for electric cables, steel wire rope, and other mining supplies. The cables arrived some time ago, but they are lying in the godown, waiting till it will be safe to send them to the Mines. If any attempt were made to despatch them now, the likelihood is that they would be seized by the Communists.

Thus it is that the textile department of the Company is overwhelmed with orders, whilst general engineering and power departments are not so active. The activity in textile machinery reflects on the electrical department, as it means large orders for motors and starters to drive the machinery, and for electric cables, switchgear, and transformers.

The economic structure of China is very weak, and must get worse unless peace is speedily restored. The Chinese dollar clings to its precarious existence. Ever since China entered the war in 1937, the dollar has declined in value, and the wonder is that it still has any value at all.

In November the Government introduced new import regulations, whereby all imports require an import license. The new regulations were made applicable to all orders, past, present and future. As this particular British firm alone had about one thousand old orders on its books at the time the regulations were promulgated, and as the Import Licensing Staff are all new to the complicated procedure involved, it looks as though it will be months before they have finished checking the old orders, and the possibility of keeping abreast of new orders seems very remote.

As all the goods this Company deals in are essential goods, they do not despair. Some method will be found the Company hopes, to expedite the issue of licenses for essential capital goods and vital manufacturing supplies.

Problems of America & Britain in the Far East

(By AN AMERICAN LIBERAL)

The politics of bases is more important in the Far East than the politics of people. China and India have become big-time countries but there is bound to be a time lag, before they can become great powers. The certificate of graduation of a great power is its possession of an independent industrial system which can be turned to the purposes of war.

Britain and America are exploiting the time lag to carry out their own programs of security, protected by bases, independent of any security to be obtained within the United Nations. The Soviets have also acquired a Pacific base, at Port Arthur.

Britain's Policy.

The British program has been carried out without much public comment. The first step was to allow the Burma Road and the Burma pipeline for oil and gasoline, which might have served to open up Southwest China, to go out of use, through lack of maintenance. The jungle, assisted by the heaviest monsoon rains in the world, swallowed them up. The second step was to make Singapore more secure from the land side by destroying the railway which the Japanese built across the Kra Isthmus.

Britain's policy of circumscribing the limits of imperial responsibility has its significance. By sealing off Burma from Yunnan, intimate contact between Chinese nationalism and the colonial nationalism of Burma and India has been curtailed. Both as a base and as an entrepot of trade by sea and air, to the exclusion of land routes, Singapore radiates its influence into Dutch Indonesia and over the approaches to Burma, Siam, and French Indo-China.

America's Policy

The American security program has aroused lively comment. American claims to trusteeship over Pacific islands formerly mandated to Japan, and to bases in purely Japanese territory such as Okinawa, involve an expansion of the American realm. The Pacific security bases would be made over to U.S. by the United Nations, and with them America will undertake to defend world security as well as American security, but with immunity from control or even inspection by the United Nations.

If U.S. safeguard themselves by this method, a shadow is to be cast over the Philippines, and toward Siberia, Korea, China, and French Indo-China, which merges into the shadow cast by Singapore. No American will admit to any possibility of aggressive intent in American foreign policy. America does not want subject peoples; in fact, it is rather regretful that the Pacific islands are inhabited at all.

Asiatic Reaction

The Chinese and the other peoples in Asia, as well as the Russians, think that American bases in the far western Pacific are too far from America to be significant as defence bases, and so near Asia that an American war of offensive defence would be fought over their lands and among their peoples.

The peoples of Asia think of the bases which ring them around as capable of radiating an uncomfortable imperial influence into their homelands. In mathematical proportion to her over-all industrial growth, China will want to develop an independent air industry, and will fret over the presence of American air power on the doorstep of the Asiatic continent.

American Advance

American power politics in Asia dovetail with British power politics, but they should not be considered identical, in spite of staff talks and a possible agreement on uniformity of arms and equipment. The present similarity between British and American policies arises out of interests which are not identical and which in the course of time are bound to diverge.

America like Britain is wanting a slow rate of change, but for different reasons. In Asia and throughout the colonial world Britain is conducting a cautious retreat. America is engaged in a cautious advance, because the nation, the government, and the armed services are not yet agreed whether they are advancing toward what will ultimately be an American-led league against Russia, or toward a world cooperation including Russia.

Hence the attempt to set up a double-duty system of island trusteeships and bases which will contribute to world security, but will in any case reinsure national security if world security fails.

Utilisation of Kuomintang

The American use of the Kuomintang is twofold. As a result of the war, the rise of Russia, and the eclipse of Japan, adjustments must be made in China. The Kuomintang is pressed to recognize the realities, one of which is the universal demand among the Chinese people for democratization of the government, through recognition of more than one party and the principle of direct election of representatives.

At the same time, in mediating the demand for an end to the Kuomintang's authoritarian monopoly of power, America wants to weight the scales so that the "representativeness" of any coalition government will still favour not only the Kuomintang as a whole, but those military and economic interests which are regarded as anti-Russian, leaning on American support, and yielding a protected position to American investment and trade.

Britain has applied with no little success the American Kuomintang technique, by utilizing the right-wing groups of both the All-India Congress and the Moslem League. Competing for British influence, both Hindu and Moslem conservatives are crowding the radical nationalists to one side and shielding the British from their pressure.

The Dutch in Indonesia

The Dutch, with British coaching, have been applying a version of the same technique in Indonesia. Governor General Van Mook, without whose great skill in being conciliatory and tenacious at the same time the Dutch might have lost Indonesia altogether, could never have patched up a compromise without the understanding support of the British.

It is noteworthy that the most vituperative criticism of Van Mook has come not from Indonesians but from conservatives in Holland.

The settlement in Indonesia goes farther than anything yet attained in China, India, or any other Asiatic country. A compromise was possible because both the Dutch and the Indonesians think that they can improve their positions in the long run.

The agreement provides for three phases. In the first phase Java, Sumatra, and Madura become the Indonesian Republic, while the less developed islands to the east remain under Dutch administration. The Republic has some 80 per cent of the total population and some enterprises in the extraction of raw materials which are already going concerns. The raw-material resources of the outer islands are greater, but less developed.

In the second phase, the Republic and the Dutch-governed areas are to be federated as the United States of Indonesia. Ultimately, in the third phase, it will be determined whether these United States are to remain indefinitely within the Dutch Empire, or to become independent as well as self-governing.

The nationalist leaders hope that they will be able to consolidate popular support for eventual independence. The Dutch hope that vested interests will develop, with native Indonesians participating in them, which will have more to lose by breaking away from the Dutch Empire than by staying within it. They hope that a united front will develop between the Dutch and the conservative Indonesians against radical Indonesians.

(Continued on next page)

THE FOREIGN TRADE OF THE PHILIPPINE REPUBLIC

Achievements in 1946 and Outlook for 1947

Business in 1946 lifted itself from a state of almost complete paralysis to a stage from which it could accelerate its strides in 1947 and hope for a speedier return to normalcy.

While normalcy appears still far off at the beginning of 1947 in view of the tremendous demands of rehabilitation, the strides made in some respects have been substantial despite the many bottlenecks to full economic restoration, foremost of which is the lack of money, new capital to start the wheels of industry and rebuild the productive capacity of the nation.

Some of the outstanding high-lights which reflect definite progress achieved last year are:—

1. A 50 per cent decline in the general price level of prime commodities since V-J Day;
2. An expansion of about 100 per cent in new capital invested and actually paid in new domestic corporations;
3. The rise of the import trade to approximately the P600,000,000 annual rate, or exceeding the total value of importation in the last two normal years, 1940 and 1941;
4. Substantial improvement in exports compared with the 1945 rate (although still far below prewar levels) and the spectacular spurt of copra shipments particularly to a level far exceeding the peak exports of any past boom year;
5. The rapid growth of air transportation to a point surpassing prewar levels.

Colonial Nationalism

The changing radical leadership of colonial nationalism is to an important extent independent of changing fashions in ideology, such as the tendency to use Marxist terms instead of the terms of libertarian democracy. The real change is morphological. It is rooted in the combination of economic growth, political growth, and the growth in the number of competent government administrators, which bring about eventually a change in the kind of freedom wanted by the people as a whole.

Early colonial nationalism does not think far beyond freedom from political subjection. Maturing colonial nationalism thinks more and more in terms of freedom to develop economic independence, as even more fundamental than a political independence.

It is over differences in attitude toward this change in the nature of colonial nationalism—including Chinese nationalism, which after all has a quasicolonial background, especially in economic subordination—that British policy may part company with American policy.

American Enterprise in China

America is going through a strong resurgence of private-enterprise thinking, which was confirmed by the Republican ascendancy. America's attitude is expressed in the treaties which give Americans equal economic rights in the Philippines and China. The economic high command in Washington is erratically coordinated with the political high command, and nobody has stopped to think that equality of rights means inequality of opportunity to peoples whose banking, manufacturing, and trading structure is weaker than ours.

Tensions are building up at a time when the United States' policy in China needs overhauling. The U.S. set out to forestall a Russian attempt to take over China through the Chinese Communists; but the Russians are not competing. They are not sending in arms, money, or political or military experts. American supplies and American training personnel have been keeping the civil war going. The Communists, while unable to overthrow the government, seem capable of indefinite resistance. A revision of American policy would be easier if it could be made on the basis of a bargain, with the Russians also revising their policy, thus saving face all round.

Significance of America's Assistance

But the biggest developments in 1946, from a long-term business and trade standpoint, were undoubtedly the laying of the groundwork for full economic rehabilitation and reconstruction in the coming years: the signing of the executive agreement between the Philippine and United States governments embodying the pro-

visions of the Bell Trade Relations Act which will enable Philippine industries to be revived and developed to a point which would compete in the world market; the scrapping of the copra and abaca agreements which were believed to be standing in the way of the Philippines' efforts to find and develop other markets while taking advantage of the vast American market; the setting up of the machinery for war damage payments and war veterans' payments; the restoration of credit facilities and scrapping of measures which were preventing the normal flow of credit; and the return of civilian property for the use of business, as well as the transfer of army surplus which helped bolster the supply of consumer goods.

Steady Price Decreases

Perhaps the best barometer (although so far the least noticed) of the steady return to normalcy has been the decline in the general price level of essential commodities from the basic price index of 700 (1941 basis is 100) on the day World War II formally ended to around 350 at the end of 1946. This price level, however, represents largely the cost of eating and the cost of other essential commodities, but not rents and services and miscellaneous items that count in the computation of the wage-earner's overall cost of living. The overall cost of living index as of December 26 as computed by the bureau of census and statistics stood at 446.2, showing that it still costs 4 1/2 times to live today than it did in 1941.

Heavy Increase in Business Firms

Despite the general stringency of cash, the growth of new businesses was rapid. Up to November, there were some 749 new stock corporations registered with the security and exchange commission, against 345 for 1945. The new stock corporations carried an aggregate paid-up capital of P18,281,505 as compared with P9,644,114 for 1945.

Foreign Trade

Foreign trade, the mainstay of Philippine economy, has shown an adverse trade balance to the Philippines with imports this year far exceeding exports by a substantial margin. Imports have risen to record levels and although trade statistics have not been brought up to date, the annual figure was estimated to be no less than P600,000,000, or more than 100 per cent over the average prewar rate of importation. From only P57,867,195 in the last half of 1945, total purchases of the Islands hit the record figure of P306,508,405 in the first half of 1946 alone. This compared with the 1941 twelve-month total of P271,182,780 and the 1940 total of P269,462,542.

Growth of Export Trade

Exports have not risen as spectacularly as imports and have not hit their stride until the second half of 1946, and then only because of the special expansion in copra and abaca shipments. The six-month total, however, which was valued at P22,163,693, was way ahead of the 1945 rate of exports when the total for the first six months of postwar shipments was valued at only P1,344,169. The outstanding feature of the export trade was the rapid growth of copra shipments which were estimated to be no less than 560,000 tons, as compared with the peak prewar total of only around 398,000 tons. The 1947 output available for export has been estimated officially at around 750,000 tons, which is expected to bring the Philippines an export trade in this item alone at no less than P200,000,000 or more than half of the prewar rate of exportation in all commodities.

Expansion of Flying

In air transportation the achievement has been likewise outstanding, there being today three local airlines operating not only domestic net-works but overseas routes. The air fleets are larger, the planes bigger and faster. International airlines, too, are extending their services to the Philippines, foreshadowing the development of the Philippines as the entrepot of commerce in this part of the globe.

Outlook for 1947

The year 1946 was undoubtedly a year of achievement; and yet it was, from a broad and long-term view-point, largely a year of blueprint, of ambitious planning which is not likely to be translated into action until more money is made available. In 1947 industry is expected to move from the blueprint to the real production stage. The resources, material and labor are there, but the money and technical know-how are still being awaited.

Financial & Trade Notes From Manila

Where will the money come from to meet Philippine rehabilitation and development needs this year? The Philippine government which has taken the initiative toward re-building the country has set up the machinery for the operation of the Philippine Rehabilitation Corporation this year. The corporation which is patterned after the U.S. Reconstruction Finance Corporation is capitalized at P300,000,000, of which P200,000,000 is expected to come from the proceeds of the surplus property transferred by the U.S. government to the surplus property commission in Manila and P100,000,000 from the proceeds of the Philippine Treasury certificates deposited to function with an initial capital of P50,000,000 which will be provided by the initial proceeds from the sale of surplus property and the capital of the Agricultural and Industrial Bank.

The Philippine government, in addition, is looking forward to starting negotiations this year for a huge loan from the United States Export-Import Bank to bolster the financial resources required to rehabilitate fully the national economy and carry out the industrialization program. President Roxas during his visit in the U.S. earlier last year had preliminary talks with officials of the bank for the extension of this credit to enable the country to start rehabilitation work. It is understood present plans call for a loan of about P500,000,000 from the Export-Import Bank. This is apart from the P400,000,000 which the government has been negotiating with the Reconstruction Finance Corporation, P150,000,000 of which is immediately required for government operations.

Payments for War Damages

Some P800,000,000, authorized (but not yet all appropriated) by the war damage act will be coming this year for disbursement first to small claimants. But this will not all be made available much less distributed right away. Payment of this amount is expected to be spread over about four to five years thus forestalling any possibility of inflation. Business does not hope to benefit fully or immediately from this program.

Copra and Hemp Exports

Copra is expected to be the premier industry for some time with a record exportation of nearly double the prewar average in point of tonnage—some 750,000 tons in 1947 against the prewar high of 398,000 tons. Hemp exports are expected to be restored to about 50 per cent of the prewar rate of shipments and possibly reach almost prewar levels toward the end of the year if enough incentive is given to the full development of the industry.

Lumber Industry

A reviving industry of Siam which threatens to give the Philippines competition in the world market is lumber. Siam is becoming "lumber conscious." There is presently an effort to restore production and start exportation abroad, particularly to the United States which need foreign lumber urgently in view of the heavy demands of housing construction. Lumber produced in Siam is considered just as good as Philippine lumber and probably will sell at much lower prices. Siam plans to go into lumber exportation along with hides which the country is likewise anxious to sell abroad in order to obtain foreign exchange and build up the country's purchasing power. Presently, Siam is restricting imports because it has not enough foreign exchange to pay for these imports.

Philippine lumber dealers, apparently fearing such competition, have been making insistent representations to the Philippine government to lift or relax the present embargo on shipments of lumber and logs abroad. They maintain that if the Philippines does not take advantage now of the tremendous demands for lumber in the United States market, other countries will supersede the Philippines as a supplier of American needs in this line of building materials.

The United States which is anxious to purchase more timber from foreign countries in view of the inadequacy of domestic production to meet existing requirements will certainly be willing to sell milling machinery and equipment to areas which will return lumber. In the case of Siam the U. S. government has shown special interest in opening that country to world trade and Siam in turn has shown a favorable attitude toward welcoming American business, trade and capital.

REPORT ON PHILIPPINE PROGRESS

The Philippine Republic faces 1947 full of promise with the Roxas administration ready to move full speed toward the great task of reconstruction and rehabilitation.

In the past six months since the young nation gained independent statehood, a great deal of spade work has been accomplished and the foundation has been laid for the rebuilding of the dislocated structure of Philippine economy.

The Filipino citizen looks forward to a steady approach to important objectives, among them greater food production, industrialization, more employment, lower cost of living, peace and order and efficient public service.

Economic Reconstruction

The government reconstruction and economic expansion programme will start shortly. The Rehabilitation Finance Corporation, nucleus of this programme started operations at the beginning of 1947 with an initial capital of P50,000,000 which will eventually add up to P300,000,000, its authorized capital.

This corporation will finance public and private rehabilitation projects as well as new industries. It will also provide funds for the exploitation of power resources, agricultural and industrial enterprises, and government purchase of large estates for resale to tenants.

Agricultural Development

The administration plans to increase food production by developing vast tracts of public as well as idle private lands to be planted with food crops, especially rice and corn. The goal for 1947 is to place under cultivation some 100,000 hectares which will bolster the local rice supply by some 3,000,000 to 5,000,000 cavans of paddy.

Industrialization

Philippine industrialization is a top-priority item in the administration's programme for this year. Plans are being prepared by engineers of the H. E. Byaster Corporation of Detroit which was engaged by the government for the building of new industries as well as the rehabilitation of those in existence before the war.

Industrial machinery and equipment are coming as reparations from Japan. A Philippine mission is now in that country selecting the industrial plants that are best suited to Philippine needs. In addition, the administration hopes to bring in equipment from the United States.

Cooperation of the Church

The social justice programme of the administration is due to gain further headway. Already negotiations have been started by a committee appointed by President Roxas with Archbishop Michael O'Doherty of Manila for the acquisition of six large church estates to be resold to present occupants. Other private estates, such as the one owned by the Tabacalera in Tarlac, may also be bought by the government this year.

With the establishment of new industries and the opening of public lands, the Roxas administration hopes to solve the problem of unemployment. This year not only offers promise of more jobs but also greater purchasing power.

Govt. Reorganisation

The administration will undertake during the year the first large-scale reorganisation of the government in many years with a view to improving public service and economizing in operating expenditures. A reorganisation committee headed by Budget Commissioner Pio Pedrosa has evolved a plan for gradually reducing government personnel by not filling vacancies. The committee expects to complete the reorganisation plans in the immediate future.

Support from America

Very much in the red, the government is drawing financial support from the United States for its fiscal needs. The U.S. congress has authorised the extension of a P150,000,000 loan to cover the budget deficit of the Republic during the current fiscal year which ends June 30.

This will be the first instalment of the P400,000,000 budget loan the administration has asked from the American government. The rest will be received during the succeeding four years in gradually decreasing amounts.

Govt. Achievements During 1946

President Roxas reorganised the governmental machinery and formulated a legislative programme for an attack on the economic and social problems left by the war. Among the measures for which he secured congressional approval were (1) a GI Bill of Rights for Filipino veterans; (2) establish-

ment of a Rehabilitation Finance Corporation; (3) provision for streamlining the governmental machinery; (4) revision of tax laws to increase government revenues; (5) establishment of a department of foreign affairs and organisation of a foreign service; (6) agrarian reform measures, including provision for a 70-30 crop division; and (7) provision for the establishment of a Surplus Property Commission.

Close Ties with U.S.

President Roxas, together with Vice President Quirino, negotiated treaties of amity with the United States Government and laid down a definitive foreign policy based upon close ties with the United States and co-operation with the United Nations.

He secured congressional authorisation for, and signed, an Executive Agreement providing preferential trade relations with the United States for 28 years. He negotiated a vast surplus property transfer agreement which made available to the Philippine government P1,274,000,000 worth of surplus property plus P50,000,000 in cash in return for the assumption by the Philippine government of the obligation to redeem guerrilla currencies and other war-time obligations of the United States Army.

An outstanding advocate of intimate co-operation with America, President Roxas was able to secure authorisation from the U.S. congress for a P150,000,000 loan and the establishment of a joint financial commission to consider other budgetary loans to the Philippines. He arranged for the transfer to the Philippines of many millions of dollars worth of equipment for the Philippine Army and for the continued supply of essential needs to the armed forces. He reorganised the military police command and placed it under the jurisdiction of the interior department, pending its eventual conversion into a civilian police force.

Internal Peace and the "Huks"

By stressing an agrarian reform programme and measures designed to improve the lot of the under privileged, and at the same time carrying on a vigorous pacification campaign, President Roxas was able to minimize the Hukbalahap movement and to restore a major measure of peace to embattled Central Luzon.

By vigorous attack on the problem of illegally held arms and other measures, considerable progress was made in the decrease of lawlessness and banditry throughout the Philippines. A sweeping attack on graft and corruption was also carried out; instances of malfeasance uncovered during the last 7 months were vigorously prosecuted.

Hongkong's Trade with Japan

Imports from Japan during December, 1946, and January, 1947, comprised the following goods:

Linen—300,000 yards, Cotton Yarn—2,200,000 pounds, Rayon Yarn—280,000 pounds.

Furthermore considerable supplies of China Ware, Sharks' Fins, Abalone, Ginseng, Mushrooms, Scallops, Cigarette Paper, Glass Ware and Bicycles were, imported by H.K. Government on account of private local merchants.

Exports to Japan during the past two months aggregated over 1,000 tons of Kaolin and a quantity of Salt. It is unlikely that further food stuffs will be sent but supplies of Clay will continue for the next two or three months.

Coal has been regularly obtained from Japan under allotment of the S. E. Asia Command since about end of 1945. Japanese shipments to Hongkong include bunker coal for ships and lump and dust for local industrial use.

Private Trading

Private business with Japan, and with Korea as well, is still prohibited under the "trading with the enemy" Act. All trade has to go through Hongkong Govt. and SCAP, Tokyo. However,

an increasing number of commercial companies is taking part, through the good offices of the Govt. Dept. of Supplies, Trade & Industry, in the development of export and import business with Japan, and many ambitious plans have been drawn up.

Some merchants, being impatient with the slow tempo of trade rehabilitation, have organised firms with the object of engaging in direct trading with Japanese and Korean merchants. As far as this Colony is concerned no such efforts can be condoned. However, the neutral position of Portugal and, consequently, the Colony of Macao, has presented itself to would-be direct traders as a loophole in the present position restricting private merchants from direct participation in trade with Japan and Korea. SCAP will not, it is presumed, allow circumvention of existing rules of the govt.-to-govt. basis.

The Southern Korean U.S. Military Administration, although technically and legally under SCAP control, may not discourage private trade between Hongkong and Seoul provided that such trade is carried out on a barter basis, obviating entirely exchange transactions. In this connection the wartime neutrality of Portugal may enable private traders, who can charter ships, to commence with barter trade as we pointed out in our Feb. 19 issue, page 99.

Trade with Korea

The following imports are required and encouraged by Korea (Southern Korea under U.S. Military Administration, responsible to SCAP, Tokyo):

Rice, barley, wheat, oats, millet, soy beans, corn starch, wheat flour, seeds, pepper, sugar, meats (fresh & preserved), eggs, salt; leather, oils, fats, waxes, medicines, rubber, ammonia, soap, saccharine, soda, soda ash, caustic soda, chlorine, bicarbonate of soda, alum, dyes and pigments, matches; cotton yarn, clothing and footwear; pulp, paper, flint, slate, gypsum, coal, cement, asbestos, glass, aluminium, copper, tin, brass, metal manufactures, machinery, wood, fertilisers.

The following exports from Southern Korea are made available for shipments abroad:

Apples, pears, marine products; small, unfinished furs; ginseng, frugs; raw silk, embroidered cloth; silica, sand, mica, talc, tungsten concentrates, flourite, graphite, pyrophyllite; lacquer ware, straw manufactures, potteries and clay manufactures.

JAPANESE EXPORT PLANS FOR 1947

Total value for 1947 is estimated by Japanese Govt. sources at over Yen 22 billion as against 3 billion in 1946. Principal export items will be: cotton, rayon, wool and mixed textiles; ceramic products, lacquer ware, toys, cameras, fishing rods, ornaments, umbrellas, musical instruments, watches, umbrellas, razors, phonographs, leather goods (shoes, bags, belts), sewing machines, miscellaneous products; raw silk and silk piece goods, silk fabrics; fruits and flowers, lily bulbs; chemicals and chemical and pharmaceutical products.

Japanese industrial estimates give an optimistic picture of Japanese industrial and agricultural export possibilities in 1947. The crucial question remains the raising of coal production and the overcoming of manpower shortage—basic factors militating also against the further expansion of British industries.

The sympathetic economic support of American Govt, military and business circles will tend to promote industrial rehabilitation of Japan during 1947.

The textile industry will remain the mainstay of Japan's postwar economy. For that purpose the quick rehabilitation of cotton mills is essential. The total production of yarn by Japanese cotton mills in 1947 is estimated to reach about 430 million pounds for domestic and 260 million lbs. for export use. Approx. 4 million cotton spindles will be operating during this year in the Osaka and other textile centres of Japan. The present number of spindles available for production of cotton yarn is about 3.8 million. Yarn exports will enable Japan to pay for raw cotton imports (mostly from U.S.) and to accumulate a foreign exchange reserve.

JAPAN'S WOOLLEN INDUSTRY

Japan's raw-wool consumption for Feb.-Oct. 1946 totalled 9,714,000 lbs. by the woollen, and 4,111,000 lbs. by the worsted industry. For the same 8-month period Japanese mills produced over 16 million lbs. of all-woollen and mixed yarn, and over 5 million lbs. of worsted and mixed yarns. The present goal of the industry is a monthly yarn production of at least 2 million pounds. Expansion of worsteds is being concentrated on.

For the same 8-month period production of woollen cloth was over 13 million square yards, and output of worsted cloth (incl. other fibers) 3,642,000 sq. yards.

Japan's wool industry, by the beginning of winter, 1946, operated 125,000 worsted spindles (converted to 2-shift basis), 3,190 looms and 270 wool cards. Operable are at present: 317,000 spindles, 10,000 looms, and almost 400 wool cards.

Hongkong Stock & Share Market

The proper functioning of the stock market is still held up by procrastinating local officials who do not even condescend to answer letters and written proposals made by the sharebrokers' representatives. It appears that Government wants to wait with the lifting of all restrictions imposed on share transactions and other encumbrances involved in the transfer of shares bought and sold till all public companies in the Colony have put their share registers into working order. However, with the exception of a small number of companies who have still not been able to do so, most local companies' registers are already in perfect working order so that the logical procedure for Government or, to be more specific, the Attorney General would be to remove without any further delay the restrictions, introduced by Government after the end of war, for the majority of local public companies, and leaving the rest of the companies for eventual removal of restrictions as soon as their registers have been properly constituted.

The present modus procedendi in share transfers is, while probably quite satisfactory from the viewpoint of many clients who do not pay any stamp duties, certainly unnecessary and involves a daily loss of revenue to the treasury which, as everybody knows, would welcome every additional cent. All proposals made by brokers here who are, of course, anxious, in the public interest, to get business started on a normal and progressive level have so far been ignored by the respective authority, and no change in the situation can be reported. We are no farther now than 4 and 5 months ago.

It is true, the trading rooms of the two brokers' organisations are open for business which is done daily at unified rates; the turnover has increased and the public is ignoring the fact that Government ignores the unofficial share market.

The brokers suggest that a stamp duty of 5 cents to be paid both by the buyer and seller per each \$100 would bring a satisfactory revenue for the Treasury. A duty on transfer deeds of \$1 has been generally agreed upon. It seems that responsible Govt. officials concur with this proposal although previously an official suggestion was put forward which would have provided for a 15 cents duty on each side. It was clear that such proposal could not be found agreeable since such high duty rate would have only led to evasive practices apart from the fact that high taxation always serves as a deterrent to business.

A Sharebrokers Reception

Confidence in the great potentialities of the market was expressed by everybody at a luncheon given by Messrs. K. B. Lee, Horace Lo, Aubrey Hillaly, R. J. R. Elias and W. T. Stanton who have recently joined the Hongkong Stock Exchange. The amalgamation of the Stock Exchange with the Sharebrokers Association has been completed (compare our Jan. 22 issue, page 42) and the spirit of cooperation among the brokers was never stronger and more sincere than now. The Chairman and Vice-Chairman of the new amalgamated Exchange, Messrs. N. V. A. Croucher and Gilbert A. Harriman respectively, were stressing in their speeches at the luncheon party the very optimistic outlook of local share business.

Seats at the Exchange

Mr. Victor M. Hammond has sent in his application to the Stock Exchange for the acquisition of a Seat, and Mr. H. R. Sequeira has applied for membership with the Sharebrokers Association. The total number of listed brokers at the new amalgamated Stock Exchange Ltd. is 60; however, there are still two seats at each the Stock Exchange and Sharebrokers Assn. left vacant so that at present 56 brokers are operating or, as far as not yet approved applicants are concerned, expected to operate shortly.

The cost of a seat, ex property rights, at the Exchange is \$300.00; but rights, the Stock Exchange seat should be valued over \$130,000 and a Sharebrokers seat about \$80,000, basing the estimate on the approx. property values of the two buildings which should bring around \$3.5 and 1.5 million respectively, in view of the fact that spacious ground floor trading halls of the two Exchanges should be attractive particularly for banks.

The Week's Business (Feb. 17-22):

The week closed with a strong undertone. At the opening, sellers predominated but when Banks were much advancing, on account of the recent dividend announcement of £3, the market followed suit. London register also appreciated from £94½ to £102.10s.0d. at the close.

In addition to this factor, some boosting came from many Canton merchants who keep on remitting funds to Hongkong partly to invest in shares, in real-estate, etc. Capital flight from Canton and South China to this Colony was conspicuous last week.

There is an active market in Banks, quite a lot having changed hands as high as \$1.630 and still there were buyers at the close. Bank of East Asia are unobtainable at the quoted buying rate of \$150.

Canton Insurances moved up from \$360 to \$370 on account of more investors buying, and so did Unions and H.K. Fires—closing buyers at \$675 and \$285 buyers respectively.

The Shipping section is very dull without any turnover with exception of small lots of Union Waterboats at \$40.50.

Docks moved up from \$143 to \$150 buyers without attracting any sellers. Kowloon Dockyards went up from \$18.75 to \$20, closing sellers \$20. China Providents were also up from \$13.75 to \$14.25 buyers.

The popular stock of Hotels were not so popular this week. They went down to \$18.20 and at the close found buyers at \$18.60 to \$18.70. H.K. Lands after sales at \$80½ find buyers now at \$81.50. Humphreys are dull at \$18.50, without business done for quite a long time.

Trams are in good demand. The lowest price was \$31 and at the close buyers were offering \$32.25 and obtained shares at \$32.50. "Star" Ferries changed hands at \$70 and \$70.50 with more buyers. Yaumati Ferries are very quiet, without any sales. China Lights moved up from \$10.15 to \$11.50 with further buyers at \$11.60, while the new issue changed hands at \$6.25 and now finds buyers at \$7. Electrics were also firm at \$33.50 at the close. Telephone (Old) are unobtainable at the quoted buying rates while the new shares changed hands at \$19.25 with more buyers.

Among the industrial section only Cements changed hands at \$15 and \$15.25. At the close still enquiries at \$15.

Dairy Farms are well held, buyers offering \$34. Watsons, with many enquiries, at \$25 found no sellers. Lane Crawfords have buyers at \$24.50 but do not attract sellers. The Chinese stores are quite steady with hardly any turnover.

Hongkong Telephone Co. Ltd.

The following report of the Directors for the year ended December 31, 1941, and the four years ended December 31, 1945 has been compiled:

1. The Balance at credit of Profit and Loss Account for the year ended December 31, 1941 (including the sum of \$359,247.34 brought forward from the previous year) and after making provision for payment to Government of Royalties amounted to \$1,792,545.49.

After charging \$637,636.60 for depreciation and effecting on July 14, 1941—the payment of an Interim Dividend of 4 per cent absorbing \$225,000 there remains the sum of \$929,908.89 which the Board recommends be appropriated as follows:—

To Sinking Fund Instalment transferred to Capital Reserve	\$ 92,577.00
To Transfer to Dividend Equalisation Account	359,247.34
To Carry forward to next account	478,084.55
	\$929,908.89

2. The Statement of Charges (including war losses) less income for the period January 1, 1942, to August 31, 1945, shows a debit balance of \$1,364,788.51 against which the Board proposes to transfer the Capital Reserve amounting to \$881,279.03, leaving a debit balance of \$483,509.48.

The balance at credit of Profit and Loss Account for the four years ended December 31, 1945 (including the sum of \$478,084.55 brought forward from 1941) and after making provisions for payment to Government of Royalties amounted to \$757,427.32.

After charging \$52,480.25 for depreciation for the four months of operation after the re-occupation, at the normal rate there remains the sum of \$704,947.07 which the Board recommends be appropriated as follows:

To Sinking Fund Instalment transferred to Capital Reserve	\$ 30,859.00
To Transfer to War Losses Account	483,509.48
To Transfer to Dividend Equalisation Reserve	190,578.59
	\$704,947.07

HONGKONG STOCK EXCHANGE

Quotations on February 22, 1947.

Stock	Buyers	Sellers	Business done during the week or Last Sale
H.K. Govt. Loans			
4% Loan	107	—	107
3½% Loan (1934)	103	—	103
3½% Loan (1940)	103	—	103
Banks			
H.K. Bank	1,630	—	1,630/1,575
H.K. Bank (Lon. Reg.)	—	—	£94½/102½
Chartered Bank	£12½	—	12½
Mercantile Bk.	—	—	—
A. & B.	£24	—	—
Bank of East Asia	150	—	—
Insurances			
Canton Ins.	360	—	370/360
Union Ins.	670	680	670
China	—	—	—
Underwriters	—	1	—
H.K. Fire Ins.	280	—	270/280
Shipping			
Douglases	—	—	200
H.K. Steamboats	—	—	12
Indo Chinas (Pref)	—	—	120
Indo Chinas (Def)	—	—	250
Shells (Ber-rer)	—	—	s. 103½
Union Waterboats	—	40½	41
Docks, Wharves, Godowns, etc.			
H.K. & K.	145	—	143
Wharves	194	20	20/18½
H.K. Docks	14½	—	14
Providents	—	—	—
Mining			
Raubs	4.40	—	—
H.K. Mines	3 c.	—	3 c.

Exchange & Financial Markets

The Hysterical Gold Market

Gold dealers and their nervous clientele lived through one of the most exciting weeks of their lives; in one panic after the other, brushing aside volleys of rumours only to stumble into another trap, such was the fate of the jittery gold speculator last week. Even the less excitable European clients were not so sure of themselves this time, and also fell for all kind of "rescue" plans. All the vast imaginary profits dissolved into thin air, and many a would-be millionaire found himself in the red and disgusted with his hard luck. Only the importing banks could afford to look nonchalantly at the frustrated "fa tsai" clients; their commission, once topping even 10%—of approx. 4-7% plus interest charges for funds lent for the purchase of gold from Mexico, had already been healthily digested.

HONGKONG & SHANGHAI BANKING CORPORATION

Ordinary Yearly General Meeting

Notice is hereby given that the Ordinary Yearly General Meeting of the Shareholders of the Corporation will be held at the Head Office of the Corporation, 1 Queen's Road Central, Hongkong, on Friday the 28th day of March, 1947, at 11.30 a.m. for the purpose of receiving and considering the reports of the Directors and of the Auditors and the Profit and Loss Account and Balance Sheet for the year ending 31st December, 1946, and for the election of Directors and the appointment of Auditors.

The Register of Shares of the Corporation will be closed from Monday, the 10th March to Friday the 28th March, 1947 (both days inclusive) during which period no transfer of shares can be registered.

By Order of the Board.

A. MORSE,

Chief Manager.

Hongkong, 20th Feb., 1947.

Lands, Hotels & Bldgs.

H. & S. Hotels	18½	18½	18½/60
H.K. Lands	81½	—	80½
H.K. Lands 4% Debentures	104	—	—
Humphreys	—	18½	—
H.K. Realities	16½	16½	16½
Chinese Estates	155	—	—

Public Utilities

H.K. Tramways	32½	—	31/32½
Peak Trams (Old)	—	11	—
Peak Trams (New)	—	5	—
Star Ferries	70	—	70
Yau-mai Ferries	23½	—	23½
China Lights (Old)	11	11½	10.60/11½
China Lights (New)	6½	—	6½
H.K. Electric	33½	—	32½/33½
Macao Electric	—	19	—
Sandakan Lights	—	—	5
Telephones (Old)	36	—	—
Telephones (New)	19	—	19½

Industrials

Canton Ices	3	—	—
Cements	14½	15½	15/15½
H.K. Ropes	—	—	10

Stores, &c.

Dairy Farms	34	—	34
Watsons	24½	—	—
Lane, Crawford	24½	—	25
Sinceres	6.60	—	6.60
China Emporium	5.30	—	5.30/50
Sun Co., Ltd.	3	—	—
Kwong Sang Hong	195	—	—
Wing On (H.K.)	85	—	—
Wm. Powell, Ltd.	—	3	—

Miscellaneous

Entertainments	26½	—	26½
Constructions (Old)	4	—	4
Vibro Piling	3½	—	—
Marsmans Inv. (Lon.)	—	—	s/- 13/3
Marsmans Inv. (H.K.)	s/- 1/3	—	—

It was, of course, unbearable when sales hysteria brought the price last Saturday (Feb. 22) to a state of collapse; after a price of \$258½ per tael was chalked up at the Gold Exchange Society at last rallying forces, mostly from Shanghai and Canton, retrieved the situation and the week, which opened at \$285 (on Feb. 17), could thus close at \$265½.

Still, this price means loss; the local buyer of Mexican gold coins or bars paid on the average \$270-280 per tael (coin). The gold cross rate last week vacillated between US\$52/55 per tael (cif Hongkong or Macao), or US\$42/44 per ounce troy. Shanghai quoted higher on its very hush-hush market; the black market for gold during the last days of the week under review (Feb. 17-22) paid abt. CN\$620,000 and more per oz. while the black rate for US\$ notes was around 14,000: the cross rate works out at US\$44/45. The official but entirely fictitious cross rate, as derived from the arbitrary rates of the Central Bank of China, amounts to US\$40 per oz.

The most alluring but tallest story of the gold market was the impending export of gold bars to Bombay; once, the brokers' bamboo wireless had picked up the confirmation from the Financial Secretary for gold export permits for India, then another HK Govt. official had licensed gold for export to Calcutta, and finally, after all previous reports were blasted, the dealers went haywire over the report that Macao had permitted gold exports to anywhere; but the recalcitrant and, by Macao standards, quite unbusinessmanlike local Govt. refused to issue transit permits. Thus, the dealers resigned themselves to the only alternative: smuggling. Either gold can be shipped, without further delay, into the good old customer's country (by self-imposed censorship name of country withheld) provided that prices will be paid which make one lose everything but the shirt, or gold will have to go from Macao via Indochina to Middle or Near Eastern markets; or from Hongkong, braving the local sleuth-hounds, to Indian markets.

Canton was slowly recovering from the shocks of the fierce tirades and dire predictions rained on the exchange and native bankers from on high; a gold and exchange market was timidly operating but quotations were definitely disgraceful. Around CN\$650,000 per tael was offered which was about 15% less than Shanghai quoted at the same time. Such price was unacceptable by Hongkong, and only towards the end of the week, at the bottom prices, some sales to Canton could be put through.

How closely the financial position of Hongkong is linked to China's ramshackle house, which all the American economic architects could not put into order, was brought home to the local gold market with more than necessary harshness.

At the moment we are sitting on a gold hoard which, if we were standing on it, would burn us under the feet. The immediate problem is: how to get rid of our local surplus of 100,000 to 140,000 taels of gold without taking a loss, without smuggling and without delay.

Hongkong Exchange Markets

The vagaries of the eventful week under review (Feb. 17-22) will be gleaned from the table published below. The CN\$ market was transacting a small volume of business and fluctuations were not excessive. The forward market was usually deserted. Forward usually quotes now abt. 30% lower than spot. The Shanghai official rate for HK\$ has not been announced but should, based on the US\$ quotation, be CN\$3,000 for Central Bank's selling and CN\$2,910 for Bank's buying (the 3% difference is made by the Central Bank for covering "handling charges"). The local spot rate last week averaged CN\$2,000 per HK\$1, or abt. 30% less than the official Central Bank of China rate (as yet unpublished).

Hongkong Unofficial Exchange Rates

Selling Rates in HK\$		CN\$ Remittance (per CN\$100,000)		US\$ (per US\$100)	
February	Gold per tael	Spot	Spot	Note	Draft
17	289	272	51½	47	492
18	295	282	52½	48	498
19	282	274	52½	48½	494
20	281	269½	47½	45½	484
21	274½	268	49½	47	483
22	270	258½	49	47½	475
				Forward	
				39	477
				39	482
				36½	494
				34½	484
				33	483
				33½	475

The US\$ market was dull and demand was small compared with previous weeks. Rates were, however, well maintained since there appears nobody in a rush to sell the hardest of all the hard currencies of this world. Drafts were collected in slightly larger volume than previously and airmailed to New York in appreciable amounts; this should, in abt. 10 days, in its transmuted T.T. form, replenish our foreign exchange resources in America which have been so inordinately drawn upon by the rash gold importers.

Gold in the Middle East

Some local brokers doing gold business with Bombay state that a current average price per troy ounce in India is around 340/- A US\$ price is to be arrived at by either computing the £ price at the New York cross rate, in which case an oz. would value US\$68, or by basing the calculation on the open funds rate of about US\$3, in which case one oz. of gold sold on the open gold market of Bombay would equal abt. US\$51.

The position of the Eastern gold markets has undergone, around beginning of last November, a considerable change as far as prices are concerned. The Bank of England encourages fabricated gold exports at abt. 350/- per oz. all Near, Middle and Far Eastern countries with the exception of Palestine, Iraq, Persia and Syria to where abt. 310/- only are charged. (Prior to last November fabricated gold export price stood at 260/-). The official Bank of England gold selling price is 175/-, and the buying price 172/3.

The London gold policy remains one of high gold export prices. However, while such prices as above do not preclude gold imports into India, Egypt etc. the very high duties on gold wares charged by these countries (India imposes a 60% duty on imports of gold wares) appear to have stifled bullion business. London believes that £20 per oz. (duty paid) for what is described as fabricated gold should be regarded as a satisfactory price. Fabricated gold is usually shipped in the form of sheets, bangles, chains, cigarette cases, etc. The pretence is kept up in London that, while bullion is a monetary metal, pure gold wares are commodities which can be sold at double the official gold bullion price. Actually, the Bank of England sells to gold exporters in London gold at the official price but insists that these exporters make a profit of almost 100%. The gold dealers in London get, of course, fabulously rich since there is no special taxation in force except the normal procedure. For the sake of boosting Britain's balance of international payments these bullion brokers in London must suffer to get rich in a big way. The Bank of England does not participate in this remarkable business; if the Bank would take even one shilling more than the official selling price of 175/- this would amount to depreciating the £.

Hongkong Official Exchange Rates

The fixed selling rates by member banks of the Hongkong Exchange Banks Association are as follows:

T/T & D/D London	1/2.27/32
T/T Singapore	52½
" India	82½
" Australia	1/6½
" U.S.	24½
" Manila	50.1/16
" Bangkok	243
" France	2970
" Switzerland	107

Banks' buying rates for T.T. London 1/31/32, drafts 1/31/16; for T.T. New York 25½, drafts 25.5/16.

The US\$ cross rate in London, as quoted by the Hongkong Exchange Banks Association, is 402½ and 403½.

No more favourable selling rates than the above are quoted by individual banks, however, fractional differences in buying and selling rates occur according to the technical daily money position of the banks. The difference moves around 1/32 or 1/16 both for London T.T. and drafts, while somewhat larger differences are made in the quoting of rates for T.T. New York depending on amounts involved and the nature of business.

Index Number	1938: 100.			
	1st Year		Dec.	Jan.
Groups	1941	1946	1946	1947
Foodstuffs	155.4	704.8	542.7	549.2
Textiles	138.3	769.1	578.9	621.9
Metals & Minerals	160.2	287.3	419.8	255.0
Miscellaneous	168.9	604.5	533.7	589.4

Shanghai's Trade in 1946

The trade deficit of Shanghai for 1946 amounted to CN\$1,025 billion; imports totalled CN\$1,280 billion, and exports CN\$255 billions. Exports were only 20 percent of Shanghai's imports. However, these figures do not include the total trade of Shanghai as they were compiled by the Chinese Maritime Customs. A considerable amount of smuggled and otherwise unrecorded imports and exports was regularly carried on in 1946. If a reliable estimate were available for publication, the trade deficit would appear still larger since smuggled imports were much heavier than exports.

Imports of UNRRA supplies into Shanghai for 1946 were valued by the Chinese Customs at CN\$283 billion.

The valuation of China's trade in terms of foreign currencies is possible only if official rates of exchange as quoted by the Central Bank of China are taken as basis for calculation; it is, however, inaccurate to rely on official rates only when CN\$ values are computed into foreign exchange since only part of China's imports have been financed by the exchange resources of the Chinese Govt., with a very large percentage of imports having been paid for from private sources and ought, accordingly, to be calculated at the unofficial rate of exchange. Similarly with exports: many exporters did not surrender their exchange to the Chinese Govt. banks but succeeded to utilise these funds for their own purposes or sold them on the open exchange market.

Following are monthly totals of Shanghai's imports and exports during 1946:

	Imports (in Millions of CN\$)	Exports (in Millions of CN\$)
January	9,281	5,641
February	14,456	3,308
March	40,475	3,937
	64,212	12,886
April	80,897	4,007
May	77,877	11,104
June	122,584	6,713
July	93,799	23,729
August	116,852	47,050
	492,009	92,603
September	221,777	53,481
October	202,468	17,565
November	191,727	39,071
December	108,718	39,692
	724,690	149,809

Computed at the official rate of exchange the following amounts in US\$ would represent sub-totals of Shanghai's foreign trade in 1946:

Period	Imports (in US\$ equivalents; in millions of US\$)	Exports (in millions of US\$)
January/March	53	10
April/August	246	46
September/December ...	219	45
Total	518	101

The adverse trade balance of Shanghai for 1946 would, therefore, amount to US\$ 417 million.

From the above CN\$ figures of Shanghai's monthly trade returns it appears that imports have been reduced recently while exports have been kept up. The Govt. policy of barring imports as announced last November 17, has resulted in a conspicuous drop in foreign imports as far as recorded by the Chinese Customs. It must be anticipated that smuggling and otherwise unrecorded trade with Shanghai has increased following the import control regulations of November 17, 1946.

SHANGHAI'S IMPORTS

By Groups of Merchandise for November, December, 1946 and the Year of 1946

	(in Millions of CN\$)		
	November	December	Year 1946
Cotton Piece Goods, Grey	171	100	928
Cotton Piece Goods, White or Dyed	450	1,075	35,437
Cotton Piece Goods, Printed	172	1,207	2,980
Cotton Piece Goods, Miscellaneous	348	84	3,621
Cotton, Raw; Cotton Yarn, and Cotton Thread	15,789	4,497	298,383
Cotton Manufactures, Sundry	819	203	5,863
Flax, Ramie, Hemp, Jute, and Manufactures thereof	1,510	382	13,349
Wool and Manufactures thereof	13,906	11,118	69,786
Silk (including Artificial Silk) and Manufactures thereof	40	125	1,219
Metals and Ores	15,309	7,283	69,129
Machinery and Tools	7,650	3,469	42,127
Vehicles and Vessels	30,159	9,510	93,947
Miscellaneous Metal Manufactures	9,493	5,620	47,440
Fishery and Sea Products	1,040	538	6,894
Animal Products, Canned Goods, and Groceries	1,622	2,386	28,234
Cereals and Flour	11,219	3,030	23,245
Fruits, Seeds, and Vegetables	972	1,218	16,502
Medicinal Substances and Spices	196	119	3,751
Sugar	311	174	2,000
Wines, Beer, Spirits, Table Waters, etc.	236	112	1,400
Tobacco	8,177	8,265	50,713
Chemicals and Pharmaceuticals	9,853	6,649	81,048
Dyes, Pigments, Paints, & Varnishes	8,289	8,166	55,821
Candles, Soap, Oils, Fats, Waxes, Gums, and Resins	14,049	11,273	114,717
Books, Maps, Paper, and Wood Pulp ...	16,948	10,969	83,736
Hides, Leather, and other Animal Substances	1,836	848	20,829
Timber	8,348	3,933	21,399
Wood, Bamboo, Rattans, Coir, Straw, and Manufactures thereof	650	310	5,792
Coal, Fuel, Pitch, and Tar	553	667	4,457
China ware, Enamelledware, Glass, etc.	489	522	3,661
Stone, Earth, & Manufactures thereof ...	594	372	6,542
Sundry	10,513	4,479	65,953
Total	191,727	108,718	1,280,916

SHANGHAI'S EXPORTS

By Groups of Merchandise for November, December, 1946 and the Year of 1946

	(in Millions of CN\$)		
	November	December	Year 1946
Animals and Animal Products	7,624	8,995	49,093
Hides, Leather, and Skins (Furs)	383	299	17,322
Fishery and Sea Products	5	9	568
Beans and Peas	199	249	1,275
Cereals and Cereal Products	310	160	1,753
Dyestuffs, Vegetable	74	158	389
Fruits, Fresh, Dried and Preserved	289	261	1,489
Medicinal Substances and Spices (not including Chemicals)	911	726	6,684
Oils, Tallow, and Wax	12,076	14,698	52,809
Seeds	194	379	1,395
Spirituuous Beverages	40	68	352
Sugar	—	—	1
Tea	2,449	2,737	12,118
Tobacco	122	203	1,200
Vegetables	147	62	1,611
Other Vegetable Products	388	177	2,326
Bamboo	17	9	135
Fuel	—	18	40
Rattan	—	—	—
Timber, Wood, & Manufactures thereof ...	72	67	924
Paper	144	155	802
Textile Fibres	3,383	3,045	36,125
Yarn, Thread, and Plaited and Knitted Goods	1,449	1,045	14,582
Piece Goods	3,005	1,540	14,593
Other Textile Products	1,112	541	8,742
Ores, Metals, and Metallic Products ...	1,490	1,499	10,597
Glass and Glassware	188	243	1,241
Stone, Earth, Sand, and Manufactures thereof (including Chinaware and Enamelledware)	235	204	1,880
Chemicals and Chemical Products	472	413	2,617
Printed Matter	80	162	733
Sundry	2,199	1,555	11,892
Total	39,071	39,692	255,303

Hongkong's trade with Shanghai, according to Hongkong Govt. returns, totalled in 1946: imports from Shanghai (Middle China) HK\$45,599,000, exports to Shanghai HK\$50,410,000. According to the Chinese Customs returns, computed into HK\$ from CN\$ by proceeding in the same way as above (sub-totals at official rate of exchange), Shanghai exported merchandise to Hongkong valued at HK\$52 million, and imported from Hongkong goods valued at 64 million. There is a difference of 20 percent between the Hongkong Govt. and the Chinese Customs returns which, however, is fully explained by the difference in fob and cif prices and the method of valuation of imports by the Customs in Shanghai where not the cif but an average wholesale price is taken as the value for calculating imports arriving in port.

In the following tabulations the value of merchandise imports and exports by groups and by countries are given.

(The equivalents of foreign currencies for the months of November and December 1946 were as follow, according to the Central Bank of China: CN\$1,000 equal 17-17/32 pence sterling, US\$ 0.29674, HK\$1.15741, Rupees 0.96244, Straits \$0.61538.)

Hongkong Industrial Establishments

Some of the larger local industrial establishments, by industrial production groups, are enumerated below (compare our previous issue, page 95).

I. Large Hongkong Industrial Establishments:

Name of Company	Approx. number of workmen employed
A. S. Watson Aerated Water Co., Ltd.	116
Connaught Aerated Water Co., Ltd.	75
Merry Factory (Batteries)	136
Castle Peak Ceramic Co., Ltd.	151
Keen Sang Brick Works	140
Continental Commercial Canning Co.	110
T. O. Wong & Co., Ltd. (cassia sorting)	540
Green Island Cement Co., Ltd.	287*
Kwong Hing Tai Garment Factory	80
China Bros. Hat Mfg. Co.	330
Leung Wing Shing Joss Stick Co.	105
New China Knitting Factory	85
Great China Match Co., Ltd.	460
Hongkong Match Factory	150
Eng Aun Tong Tiger Balm Factory	330
Chiap Hua Manufactory (Metalware)	120
Silverstone Works (Metalware)	120
Asiatic Petroleum Co., Ltd.	91
National Lacquer & Paints Products Co.	75
San Yuen Fat Paper Dyeing Co.	85
Hop Hing Oil Factory (Peanut Oil)	100
Hongkong Electric Co., Ltd.	125
Hongkong & China Gas Co., Ltd.	206
Hongkong Telephone Co., Ltd.	70
Hongkong Tramways Ltd.	213
China Light & Power Co., Ltd.	140
Fung Keong Rubber Mfg. Ltd.	200
Hongkong Rubber Factory	260
Kin Kwok Rubber Factory	120
Wah Keong Rubber Manufactory	250
Cosmopolitan Docks	700
Hip Tung Wo Engineering Mfg. (docks)	120
Hongkong & Whampoa Dock Co., Ltd.	3,500
Taikoo Dockyard & Engineering Co., Ltd.	6,000
British Cigarette Co., Ltd.	430
Hongkong Tobacco Co.	120
Kwong Ming Torchlight Factory	132
Chung Yuen Weaving Factory	100
Chung Nam Weaving Factory	75
Man Sang Weaving Factory	80
Min Sun Weaving Factory	100

* Not yet resumed.

II. A Selected List of Hongkong Industrial Establishments employing less than 100 workmen.

Aerated Water: see under I.
Electric Batteries: Hing Wah, Merry Factory, Po Chiu Electrical Battery.
Bicycles & Tricycles: Union Cycle Mfg. Co.
Biscuits & Confectionery: Ching Loong Bakery, Garden Co., M. P. San & Co., Ltd., Lane Crawford Bakery.
Brick Works: see under I.
Buttons: Tien Shing Button Mfg. Co.
Camphor Wood Trunks: Kwong Wan Camphor Wood Box Co.

SHANGHAI'S EXPORTS & IMPORTS DURING THE YEAR 1946

Value of Merchandise: By Countries

(in Millions of CN\$)

	December 1946		January—December 1946			
	Imports	Exports	Imports	%	Exports	%
Aden, Perim, etc.	572	20	3,654	0.29	69	0.03
Australia	2,337	55	16,425	1.28	936	0.37
Belgium	3,305	1,628	13,388	1.05	4,805	1.88
Brasil	—	313	54,805	4.28	761	0.29
British India	1,511	368	100,895	7.88	20,881	8.18
British North Borneo	633	—	665	0.05	—	—
Burma	—	—	8	—	—	—
Canada	2,559	381	23,582	1.84	2,004	0.79
Egypt (incl. A.-E. Sudan)	462	1,128	9,198	0.72	4,267	1.67
Finland	406	—	4,820	0.38	—	—
France	778	1,577	2,724	0.21	7,234	2.83
French Indo-China	202	123	4,510	0.35	204	0.08
Germany	4,233	—	5,393	0.42	—	—
Great Britain	8,369	3,535	57,723	4.51	14,298	5.60
Hong Kong	2,445	5,184	41,006	3.20	32,785	12.84
Persia (Iran)	4,986	411	16,967	1.32	1,132	0.44
Japan	281	—	1,077	0.08	843	0.33
Macao	—	—	—	—	—	—
Mexico	518	44	35,205	2.75	153	0.06
Netherlands East Indies	774	10	3,457	0.27	116	0.05
Norway	1,136	399	11,275	0.88	1,006	0.39
Paraguay	—	—	8,642	0.67	—	—
Peru	—	—	1,296	0.10	2	—
Philippines	320	624	7,587	0.59	5,113	2.00
Straits Settlements	3,312	832	19,134	1.49	4,431	1.74
Sweden	2,149	1,020	17,811	1.39	2,861	1.12
Switzerland	3,230	827	26,003	2.03	1,969	0.77
Thailand (Siam)	225	24	1,743	0.14	574	0.23
U.S.A.	58,651	15,675	765,680	59.78	121,633	47.64
U. S. S. R.	2,494	2,335	9,569	0.75	20,592	8.07
Other Countries	2,818	3,167	16,686	1.30	6,632	2.60
Total	108,718	39,692	1,280,916	100	255,303	100

Canned Goods: Continental, Yue Chuen Loong Canning Factory.

Carbon: Shing Kee Carbon Factory.

Cassia Sorting: T. O. Wong & Co., Ltd., Fook Woo Lee, China Vegetable Oil Corp.

Chemicals: Far East Oxygen & Acetylene Co., Ltd., Sai Kwong Chiu Works (sulphuric & hydrochloric acids).

Dyeing: Kum Wah Dyeing Works.

Electric Bulbs: Peral Light Electric Lamp Mfg. Co.

Electric Plating: Chung Nam Electro-Plating Factory.

Embroidery: Tai Sung Embroidery Co.

Enamelware: I-Fong Enamelware Co.

Engineering: Hip Cheong, Kwong Sang, Wah Shing, Wang Tak, Yauamati Works.

Face Powder: Sam Fong Face Powder Factory.

Feathers: Sing On, Tak Cheong, Tung Lee.

Fishing Nets: Fook Cheong.

Foundries: See Woo, Ting Sun.

Furniture: Hongkong Furniture Co., Ltd.

Garments & Shirts: Kwong Hing Tai, Goodwear Garments, Jackson Garment & Shirt Mfg. Co., Lido Shirts & Underwear Mfg. Co., Maymoon Garment Factory, Sang Kee Garment Factory.

Ginger & Fruits: China Ginger Preserving Co. (not yet resumed), Chy Loong Ginger, Sam Shing Wo Ginger Preserving Co.

Glass: Kwong Tai Loong, Tung Wo Hing.

Gourmet Powder: Tien Chu Ye-Tsin.

Hats: China Bros., Shiu Kee Hat Factory.

Hosiery: Chung Hing Hosiery Factory, Kazen Hosiery Factory, Yan Po Knitting Co.

Ivory Wares: Shing Cheong Ivory Works.

Joss Sticks: Leung Wing Lan Joss Stick Co., Leung Wing Shing J. S. Co.

Knitting: Chung Kai, Chung Kwok, Chung Wo, Lun Cheong, Kam Loong, New China, President Knitting Mill, Wellit Knitting Mill.

Matches: see under I.

Dried Meat: Kwan Wo Wo Chan.

Medicines: Watson & Co., Ltd., Chan Li Chai Medicine Pill Co., Eng Aun Tong Co., Ltd., New Asiatic Chemical Works Ltd., Wang Hing.

Metal Wares: Chiap Hua, Chung Mei, Chung Nam, Diaward Steel Works, Po Kwong Metal Works, Silverstone Works, World Light Factory, Chung O Mfg. Co., Ltd., Fook Shing Metalworks, Hongkong Nail Mfg., Liu Ho Kan Iron Works Ltd., Sunlight Mfg.

Paints: National Paint & Lacquer Co., Ltd., Island Paint Co.

Paper Dyeing: see under I.

Peanut Oil: Hop Hing, Hang Fat, Man Hing.

Perfumery: Kwong Sang Hong, Sincere's Ltd.

Printing: Commercial Press Ltd., Local Printing Press Ltd., Shen Kee Press, Wing Fat Press, Ye Olde Printers Ltd.

Rattan: Hongkong Rattan Manufg. Co.

Rubber Wares: China Rubber Factory, Leda Industries, United Rubber Works, Wing Hing Rubber Works (also see under I.)

Saw Mill: Wing Tai Cheung.

Shipbuilders: A. King Slipway, Hip Hing Loong Shipbuilding, Kwong Cheong Hing (also see under I.)

Shoes: Kowloon Shoe Factory.

Soy & Sauce: Amoy Canning Corp. Ltd.

Tanneries: Tung Mow Hide & Leather Factory.

Tin Cans: Chung Kwok Tin Can Co., Yue Ying Can Mfg.

Tobacco: see under I.

Tooth Brushes: Mak Ming Kee.

Torches: Chung Nam Flashlight Co., Nam Jam Factory, Nam Shing (also see under I.)

Toys: South China Toys Factory.

Vacuum Flasks: Pearl Light Thermos Co., Wei Yit Thermos Co.,

Silk Weaving: Mayar Mills Ltd.

Weaving: Ah Hing Cheung, Chip Tak, Hing Wah, Hong Lee, Yuen Hing (and see under I.)

Local Newspapers

The following newspapers employ 40 or more workmen:

Kung Shung Jih Po (Industrial & Commercial News) ... 90

South China Morning Post (and Telegraph) 88

Wah Kiu Yat Po (Overseas Chinese News) 80

Sing Tao Jih Pao (Star News) ... 60

Newspaper Enterprises (China Mail) ... 40

SHIPPING REPORTS

Private Chinese Shipping Companies

The Ming Sung Industrial Co. Ltd., whose present shipbuilding commitments in Canada are being guaranteed by the Government of China, will obtain 52 vessels required for operation on the Yangtze. Through the Canadian Export Credits Insurance Act, Canada had agreed to establish a C\$12,750,000 credit in favour of the Ming Sung. A large part of this credit will be used to finance the proposed shipbuilding programme. The Chinese company itself will contribute C\$2,500,000 additional in cash.

The Chinese programme will call for the construction of three vessels 285 feet in length, six smaller ships of 187 feet, and material and machinery required for the building of three tugs and forty lighters.

The Ming Sung interests also hope to purchase in Canada a substantial quantity of narrow-gauge mining railway equipment.

The Company possesses at present 90 vessels, totalling 40,000 tons, among which are two ocean-going ships. The Ming Sung and the Kincheng Bank have organized the Pacific Navigation Company, which operates two coasters of 2,000 tons and two of 4,000 tons, now plying between Tientsin, Shanghai and Taiwan ports. The Pacific N. Co. is capitalized at US\$1,000,000, subscribed equally by the company and the bank.

China Merchants S.N. Co.

The Govt.-owned shipping company owns at present about 490,000 tons (or abt. 60% of China's total shipping tonnage): The China Merchants is the only company possessing ocean-going vessels above 5,000 tons gross. Among its fleet, acquired mostly through the Board of Supplies from the United States, are 10 Liberians, 16 Lakers (vintage '05), 10 so-called N3s, four B-types, of about 13,000 tons each, four Grey type, coal burners of about 4,000 tons, and 15 landing craft, ranging from 800 to 3,000 tons.

Besides the company has 16 river boats, both passenger and cargo carrying, ranging from 1,000 to 4,000 tons, and a large number of smaller craft, including lighters, tugs and motorboats.

While this Govt.-shipping company has now 10 times the number of vessels it possessed before the war, its tonnage has increased only four times.

The company operates a number of lines along the China coast, and has one steamer, s.s. Hai Hsia, cargo and passenger, sailing between Hongkong and the Philippines. This is a former Jardine vessel.

In North China, the China Merchants connects the ports of Haichow, Tsingtao, Tientsin, Chinwangtao, Yingkow and Hulutao, the latter two when not ice bound. In South China, lines extend to Ningpo, Wenchow, Foochow, Swatow, Amoy, Canton, Hongkong and Taiwan.

Besides the above, the company has three lines servicing ports on the Yangtze: Shanghai-Hankow, for larger vessels; Hankow-Ichang, and Ichang-Chungking for smaller craft in winter when water is extremely low. Traffic between Ichang and Chungking will be resumed in April or May.

Transpacific Rates

Tariff rates have increased 3-4 times in 1946 as against prewar years.

Rates from China to U.S. West Coast:	1937		1946	
	US\$		US\$	
Per 40 cubic feet				
Bamboo and Rattan wares ...	7.00		28.50	
Brassware	18.00		37.75	
China ware	16.75		44.00	
Cotton goods	20.00		35.50	
Egg Products	15.00		34.00	
Hides, Skins & Furs	15.00		34.00	
Linens & Lace	22.00		51.25	
Oil in bulk	10.00		31.25	
Seeds	5.50		27.25	
Silk, raw	2.00		11.00	
Tea	6.00		27.25	

Advance in British Shipbuilding

Britain will put into use, early in 1947, the first merchant ship to use jet propulsion. The new engine not only will drive ships faster at less cost, but will allow more cargo space through the elimination of boilers. Designed on the same principle as the gas turbine used in aircraft, the new engine will develop up to 6,000 horsepower.

Shanghai's Shipping for the Year 1946

The total tonnage at Shanghai which entered from and cleared for abroad during 1946 was 6,290,000. The decline of Shanghai's shipping is illustrated by the following comparative figures: in 1936 over 18,820,000 tons of shipping entered the port of Shanghai, in 1937 the total tonnage of vessels entered was 13,250,000; in 1946 the total tonnage for ships entered was 3,274,000, or a decrease of 83 percent when compared with the prewar year 1936. (The monthly returns of shipping during November and eleven months of 1946 will be found in our January 22 issue, page 46).

Hongkong's shipping compared with prewar years has also decreased but not to a degree comparable to the decline of Shanghai's shipping. In 1946 4,611,000 tons of ocean and river shipping entered Hongkong as against 18,964,000 tons in 1936; the decrease amounts to about 70 percent. While Hongkong in prewar years usually handled more tonnage than Shanghai, the difference was relatively small; however, in 1946 Hongkong handled 45 percent more shipping tonnage (ocean and river going only) than Shanghai. These figures reflect the comparative rehabilitation of Hongkong's trade. The Shanghai shipping returns include the very substantial shipping figures of UNRRA supplies without which the Shanghai 1946 returns would be probably 25 to 30 percent less than they are shown in the following tables.

As regards Chinese coastal shipping, as tabulated below, it is surprising that, in face of many Chinese merchant shippers' protests, British and American shipping could maintain itself at 325,000 and 359,000 tons respectively. Chinese ships in the coastal traffic between Shanghai and other ports dominate now the field with 2,185,000 tons in 1946, or about 70 percent of the total.

In ocean going shipping the U.S. flag was paramount in Shanghai's shipping, followed by British vessels (about 1/3 of U.S. returns) while Chinese ocean going ships are as yet of no importance (only 1.6 percent of the total). The other leading foreign flags in Shanghai's shipping returns are: Norwegian, Danish and Dutch.

SHANGHAI'S FOREIGN & COASTAL SHIPPING FOR THE YEAR 1946 AND FOR THE MONTH OF DECEMBER, 1946

I. Vessels entered from & cleared for Abroad.

FLAG	December 1946				January—December 1946			
	Entered		Cleared		Entered		Cleared	
	No.	Tons	No.	Tons	No.	Tons	No.	Tons
American	15	80,334	16	94,601	370	1,670,271	346	1,591,671
British	33	90,985	25	70,505	306	889,630	243	764,360
Chinese (excl. Junks)	6	5,127	5	13,003	82	152,728	20	47,306
Danish	4	17,373	4	15,122	24	111,647	23	105,466
French	2	13,845	2	13,845	6	24,290	6	24,290
Netherlands	5	23,844	5	23,844	22	92,476	20	88,902
Norwegian	9	25,691	9	26,931	51	157,653	52	159,745
Panamanian	1	5,400	1	5,400	23	74,269	10	47,148
Philippine	1	2,978	1	2,978	3	6,583	3	6,583
Swedish	3	7,181	5	11,459	18	52,003	16	42,382
U. S. S. R.	2	4,308	2	4,308	14	35,085	14	35,085
Others	1	1,246	1	1,246	3	7,913	2	3,369
Total	82	278,312	76	283,242	922	3,274,548	755	2,916,307

II. Vessels entered from & cleared for Chinese Ports.

FLAG	December 1946				January—December 1946			
	Entered		Cleared		Entered		Cleared	
	No.	Tons	No.	Tons	No.	Tons	No.	Tons
American	3	13,158	4	16,695	76	301,406	85	359,361
British	4	11,141	6	12,400	111	208,858	158	325,851
Chinese (excl. Junks)	708	366,780	662	366,742	5,393	2,279,080	4,971	2,185,013
Chinese Junks	60	3,019	82	4,845	1,543	71,762	1,500	66,804
Netherlands	—	—	—	—	—	—	2	8,574
Norwegian	6	13,084	4	7,946	37	78,623	37	79,433
Panamanian	3	7,166	2	4,719	21	59,781	29	74,971
Swedish	—	—	—	—	1	1,425	3	11,046
Others	—	—	—	—	—	—	1	2,863
Total	784	414,348	760	413,347	7,182	3,000,935	6,786	3,108,916

Hongkong's January Trade Returns

TOTAL VALUES OF IMPORTS & EXPORTS UNDER MAIN GROUPS
BY COUNTRIES FOR THE MONTH OF JANUARY, 1947

EAST AFRICA

Articles	Imports \$	Exports \$
Chinese Medicines	200,562	—
Foodstuffs & Provisions	15,000	—
Total	215,562	—

UNITED KINGDOM

Articles	Imports \$	Exports \$
Building Materials	108,696	—
Chemicals & Drugs	1,072,008	—
Chinese Medicines	—	171,205
Dyeing & Tanning Materials	1,206,161	—
Foodstuffs & Provisions	152,555	1,020
Hardware	297,537	—
Liquors, Intoxicating ...	315,885	—
Machinery & Engines ..	948,057	—
Manures	127,392	—
Metals	1,773,980	9,600
Minerals & Ores	4,546	27,888
Oils & Fats	14,329	31,500
Paints	130,357	—
Paper & Paperware ...	334,872	—
Piece Goods & Textiles ..	1,628,986	54,070
Tobacco	1,946,223	—
Vehicles	1,789,476	—
Wearing Apparel	118,975	—
Sundries	1,900,810	1,138,689
Total Merchandise ...	13,830,845	1,433,972
Treasure	5,700,000	840,000
Grand Total	19,570,845	2,273,972

BURMA

Articles	Imports \$	Exports \$
Chinese Medicines	—	2,932
Dyeing & Tanning Materials	—	1,450
Foodstuffs & Provisions ..	—	62,390
Paints	—	34,225
Paper & Paperware	—	1,400
Wearing Apparel	—	24,890
Sundries	—	90,960
Total	—	218,247

CANADA

Articles	Imports \$	Exports \$
Building Materials	311,575	—
Chemicals & Drugs	39,873	—
Chinese Medicines	—	20,906
Foodstuffs & Provisions ..	485,330	25,254
Hardware	700	—
Machinery & Engines ...	3,110	—
Metals	15,110	—
Nuts & Seeds	—	1,091
Oils & Fats	40,600	—
Paints	35,000	—
Paper & Paperware ...	367,600	—
Piece Goods & Textiles ..	15,875	233
Tobacco	119,000	—
Vehicles	30,660	—
Wearing Apparel	10,000	—
Sundries	49,640	39,555
Total	1,524,073	87,039

AUSTRALIA

Articles	Imports \$	Exports \$
Chemicals & Drugs	146,901	—
Chinese Medicines	—	13,864
Dyeing & Tanning Materials	58,254	—
Foodstuffs & Provisions ..	1,624,428	13,787
Hardware	36,647	1,799
Liquors, Intoxicating ...	16,839	—
Metals	173,826	—
Minerals & Ores	—	18,075
Oils & Fats	81,923	275,417
Paints	33,632	—
Paper & Paperware	14,580	—
Piece Goods & Textiles ..	1,079,651	—
Vehicles	49,002	—
Wearing Apparel	365,266	—
Sundries	696,771	75,365
Total	4,377,720	398,307

CEYLON

Articles	Imports \$	Exports \$
Building Materials	—	602
Chemicals & Drugs	—	8,558
Chinese Medicines	—	17,600
Foodstuffs & Provisions ..	33,839	147,344
Hardware	—	26,283
Paper & Paperware ...	—	13,284
Piece Goods & Textiles ..	—	7,023
Wearing Apparel	—	42,620
Sundries	11,400	248,566
Total	45,239	511,880

MALAYA (BRITISH)

Articles	Imports \$	Exports \$
Building Materials	358,350	—
Chemicals & Drugs	59,324	56,642
Chinese Medicines	46,818	479,251
Dyeing & Tanning Materials	343,955	4,500
Foodstuffs & Provisions ..	451,899	2,910,141
Fuels	75,617	—
Hardware	32,280	101,002
Liquors, Intoxicating ...	—	252,954
Manures	—	320
Metals	348,999	39,500
Nuts & Seeds	154,290	118,897
Oils & Fats	687,432	58,388
Paints	23,750	76,285
Paper & Paperware ...	46,692	308,367
Piece Goods & Textiles ..	3,900	13,551,279
Tobacco	—	5,067
Vehicles	9,907	—
Wearing Apparel	23,200	2,074,685
Sundries	2,093,490	2,686,666
Total Merchandise ...	4,759,903	22,723,964

Hongkong Liquor Consumption

Following are detailed statistics for local consumption, imports and re-exports of liquors, wines, beer, Chinese spirits for the year of 1946:

ALCOHOLIC BEVERAGES: FOR 1946

Class of Liquor	Import ex bond (Gallons)	Duty-paid (Gallons)	Re-export (Gallons)	Re-export for Shipstores (Gallons)	Denatured (Gallons)
European Type					
Liqueur	4,727	4,463	260	4	—
Champagne	3,150	2,654	491	5	—
Sparkling Wine ...	1,988	143	1,831	14	—
Brandy	65,452	42,820	22,301	331	—
Whisky	58,662	45,417	12,002	1,243	—
Gin	35,803	29,576	5,028	1,139	—
Rum	1,865	1,795	54	14	—
Port	22,762	12,655	10,047	60	2
Sherry	3,009	2,314	659	36	—
Vermouth	7,014	3,835	3,159	20	—
Still Wine	245,791	4,896	238,952	1,943	—
Bitters	53	52	1	—	—
Cider	1,041	1,033	8	—	—
Beer	238,764	217,725	13,069	7,970	—
Chinese Type					
25% Spirit	214,750	55,920	158,830	—	—
Over 25% Spirit ..	77,881	20,897	56,984	—	—

LOCAL PRODUCTION

Class of Liquor	Import ex bond (Gallons)	Duty-paid (Gallons)	Re-export (Gallons)	Re-export for Shipstores (Gallons)	Denatured (Gallons)
European Type					
Local Beer	213,958	213,859	99	—	—
Chinese Type					
25% Spirit	660,178	608,915	210	—	5,105
Over 25% Spirit ..	8,664	8,664	—	—	—

NEW ZEALAND

Articles	Imports \$	Exports \$
Chinese Medicines	5,000	2,994
Foodstuffs & Provisions ..	2,506	8,770
Liquors, Intoxicating ...	—	4,222
Nuts & Seeds	—	165
Oils & Fats	—	91,073
Sundries	43,680	81,227
Total	51,186	188,451

NORTH BORNEO

Articles	Imports \$	Exports \$
Building Materials	183,502	—
Chemicals & Drugs	—	1,970
Chinese Medicines	6,500	8,642
Foodstuffs & Provisions ..	6,014	46,174
Fuels	64,577	—
Hardware	—	1,109
Liquors, Intoxicating ...	—	16,856
Metals	2,510	4,429
Nuts & Seeds	22,807	1,255
Oils & Fats	11,510	—
Paper & Paperware ...	—	7,325
Piece Goods & Textiles ..	—	48,000
Wearing Apparel	—	25,324
Sundries	19,306	60,093
Total	316,726	221,177

SOUTH AFRICA

Articles	Imports \$	Exports \$
Chemicals & Drugs	—	32,200
Chinese Medicines	—	3,368
Foodstuffs & Provisions	—	6,499
Oils & Fats	—	8,910
Wearing Apparel	—	40,989
Sundries	315,000	1,266,265
Total	315,000	1,358,231

WEST AFRICA

Articles	Imports \$	Exports \$
Wearing Apparel	—	12,850
Sundries	—	15,763
Total	—	28,613

WEST INDIES

Articles	Imports \$	Exports \$
Chinese Medicines	—	8,482
Foodstuffs & Provisions	—	12,162
Hardware	—	1,729
Nuts & Seeds	—	150
Wearing Apparel	—	2,000
Sundries	—	4,922
Total	—	29,445

BRITISH EMPIRE, OTHER

Articles	Imports \$	Exports \$
Chinese Medicines	—	46,778
Foodstuffs & Provisions	—	65,294
Hardware	—	7,821
Metals	—	13,938
Nuts & Seeds	29,300	379
Oils & Fats	883,213	—
Piece Goods & Textiles	—	24,564
Wearing Apparel	—	54,077
Sundries	3,250	146,893
Total	915,763	359,744

BELGIUM

Articles	Imports \$	Exports \$
Building Materials	144,983	—
Chemicals & Drugs	—	7,930
Chinese Medicines	—	43,447
Foodstuffs & Provisions	3,770	—
Metals	652,470	3,200
Nuts & Seeds	—	7,996
Oils & Fats	—	165,967
Paints	13,864	—
Paper & Paperware	39,119	—
Sundries	49,498	80,966
Total	903,704	309,506

CHINA, NORTH

Articles	Imports \$	Exports \$
Building Materials	4,770	29,664
Chemicals & Drugs	4,010	102,636
Chinese Medicines	276,152	1,266
Dyeing & Tanning	—	9,600
Foodstuffs & Provisions	1,852,124	78,616
Fuels	—	128,400
Hardware	21,085	3,465
Liquors, Intoxicating	5,680	21,155
Machinery & Engines	3,932	1,506
Metals	3,060	109,679
Nuts & Seeds	580,205	155,110
Oils & Fats	42,022	1,372,066
Paints	14,855	1,900
Paper & Paperware	24,098	30,000
Piece Goods & Textiles	503,916	116,945
Vehicles	8,669	49,038
Wearing Apparel	9,935	60,000
Sundries	212,948	734,937
Total	3,567,461	3,005,983

CHINA, MIDDLE

Articles	Imports \$	Exports \$
Animals, Live	116,750	—
Building Materials	53,415	29,394
Chemicals & Drugs	8,245	370,139
Chinese Medicines	14,557	—
Dyeing & Tanning	—	76,696
Foodstuffs & Provisions	2,164,286	588,452
Fuels	8,100	167,600
Hardware	5,160	2,170
Machinery & Engines	500	1,300
Manures	—	421,305
Metals	24,240	51,563
Nuts & Seeds	13,202	3,372
Oils & Fats	230,354	1,381,623
Paints	—	26,483
Paper & Paperware	98,355	194,923
Piece Goods & Textiles	—	190,487
Vehicles	—	24,000
Wearing Apparel	3,780	1,560
Sundries	382,518	171,155
Total Merchandise	3,123,462	3,702,222

CHINA, SOUTH

Articles	Imports \$	Exports \$
Animals, Live	1,901,970	—
Building Materials	247,459	39,983
Chemicals & Drugs	6,900	1,019,778
Chinese Medicines	1,822,634	68,358
Dyeing & Tanning	—	—
Foodstuffs & Provisions	98,666	507,140
Fuels	2,475,265	300,209
Hardware	591,042	5,930
Liquors, Intoxicating	44,913	71,023
Machinery & Engines	366	890
Manures	4,020	135,033
Metals	—	43,735
Minerals & Ores	1,911,265	5,377,606
Nuts & Seeds	624,050	—
Oils & Fats	102,420	34,222
Paints	9,560,583	5,423,836
Paper & Paperware	460	200,842
Piece Goods & Textiles	199,999	1,937,656
Tobacco	874,148	543,781
Vehicles	550	5,834
Wearing Apparel	—	72,685
Sundries	3,788	2,650
Total	1,674,014	1,655,714

CENTRAL AMERICA

Articles	Imports \$	Exports \$
Chinese Medicines	—	1,389
Foodstuffs & Provisions	181,600	8,682
Hardware	—	239
Nuts & Seeds	—	3,180
Sundries	—	17,182
Total Merchandise	181,600	30,672
Treasure	7,829,737	—
Grand Total	8,011,337	30,672

CUBA

Articles	Imports \$	Exports \$
Chinese Medicines	—	1,350
Foodstuffs & Provisions	—	59,888
Hardware	—	13,436
Liquors, Intoxicating	—	5,530
Nuts & Seeds	—	2,244
Paper & Paperware	—	160
Piece Goods & Textiles	—	3,150
Sundries	—	79,049
Total	—	164,807

DENMARK

Articles	Imports \$	Exports \$
Chemicals & Drugs	8,160	—
Chinese Medicines	—	7,158
Sundries	—	132,882
Total	8,160	140,040

EGYPT

Articles	Imports \$	Exports \$
Chinese Medicines	—	11,760
Foodstuffs & Provisions	52,914	15,980
Oils & Fats	—	18,000
Wearing Apparel	—	15,077
Sundries	—	453,765
Total	52,914	514,582

FRENCH INDO CHINA

Articles	Imports \$	Exports \$
Building Materials	148,600	44,007
Chemicals & Drugs	3,050	71,437
Chinese Medicines	24,762	87,140
Dyeing & Tanning	—	—
Foodstuffs & Provisions	3,400	—
Liquors, Intoxicating	733,139	723,934
Manures	—	240
Metals	64,800	—
Nuts & Seeds	1,360	—
Oils & Fats	162,994	1,000
Paints	31,895	40,358
Paper & Paperware	2,292	18,547
Piece Goods & Textiles	—	73,004
Tobacco	—	30,000
Vehicles	—	84,900
Wearing Apparel	857	—
Sundries	—	6,000
Total	281,631	212,655

FRANCE

Articles	Imports \$	Exports \$
Chinese Medicines	—	27,301
Liquors, Intoxicating	201,180	—
Nuts & Seeds	—	9,202
Oils & Fats	16,851	295,165
Paper & Paperware	3,650	—
Piece Goods & Textiles	120,752	532,295
Sundries	43,551	135,189
Total	385,984	999,152

HOLLAND

Articles	Imports \$	Exports \$
Chemicals & Drugs	12,705	—
Chinese Medicines	—	10,080
Foodstuffs & Provisions	258,730	—
Liquors, Intoxicating	32,096	—
Metals	32,000	—
Oils & Fats	—	4,725
Paints	3,364	—
Paper & Paperware	34,220	—
Piece Goods & Textiles	—	—
Tobacco	64,40	—
Wearing Apparel	—	212
Sundries	15,800	203,316
Total	395,355	218,333

FAR EASTERN ECONOMIC REVIEW

ITALY

Articles	Imports \$	Exports \$
Chinese Medicines	—	38,790
Liquors, Intoxicating ...	5,000	—
Nuts & Seeds	—	10,997
Oils & Fats	—	271,362
Paper & Paperware ...	23,377	—
Piece Goods & Textiles	1,855,314	—
Sundries	—	521,688
Total	1,883,691	842,837

KWONG CHOW WAN

Articles	Imports \$	Exports \$
Animals, Live	123,700	—
Chemicals & Drugs	—	7,020
Chinese Medicines	16,227	1,844
Dyeing & Tanning Materials	—	1,597
Foodstuffs & Provisions	161,893	2,040
Hardware	—	450
Metals	—	4,742
Nuts & Seeds	4,840	—
Oils & Fats	4,490	314,328
Paints	—	1,587
Paper & Paperware ...	—	4,430
Piece Goods & Textiles	—	3,200
Sundries	53,019	59,336
Total	364,169	400,574

MACAO

Articles	Imports \$	Exports \$
Animals, Live	61,300	—
Building Materials	4,586	9,100
Chemicals & Drugs	—	239,375
Chinese Medicines	196,027	9,695
Dyeing & Tanning Materials	5,650	16,590
Foodstuffs & Provisions	3,757,534	1,390,813
Fuels	50,472	—
Hardware	1,800	—
Liquors, Intoxicating ...	293,842	160,939
Manures	2,538	3,000
Metals	5,657	36,372
Minerals & Ores	1,650	—
Nuts & Seeds	181,615	90,345
Oils & Fats	79,790	561,668
Paints	844	7,664
Paper & Paperware ...	8,320	237,250
Piece Goods & Textiles	2,263,633	96,258
Tobacco	23,327	974,232
Vehicles	13,500	137,463
Wearing Apparel	2,721	127,089
Sundries	1,000,074	334,065
Total Merchandise ...	7,924,880	4,431,918
Treasure	—	23,847,758
Grand Total	7,924,880	28,279,676

NETHERLANDS EAST INDIES

Articles	Imports \$	Exports \$
Chemicals & Drugs	—	13,296
Chinese Medicines	—	31,490
Foodstuffs & Provisions	25,740	61,182
Hardware	—	700
Liquors, Intoxicating ...	—	5,120
Metals	—	12,569
Oils & Fats	—	1,275
Paper & Paperware ...	—	40,894
Piece Goods & Textiles	—	77,252
Tobacco	—	12,950
Wearing Apparel	—	649,842
Sundries	—	516,488
Total	25,740	1,423,058

NORWAY

Articles	Imports \$	Exports \$
Chinese Medicines	—	25,200
Liquors, Intoxicating ...	28,619	—
Oils & Fats	—	882
Paper & Paperware ...	1,108,478	—
Piece Goods & Textiles	—	8,200
Sundries	—	161,659
Total	1,137,097	195,941

PHILIPPINES

Articles	Imports \$	Exports \$
Chemicals & Drugs	19,200	60
Chinese Medicines	—	34,542
Foodstuffs & Provisions	67,700	1,742,582
Hardware	187,994	375,279
Machinery & Engines ..	163,448	—
Metals	421,110	219,650
Nuts & Seeds	—	225,391
Oils & Fats	712,792	129,762
Paints	—	4,800
Paper & Paperware ...	—	14,168
Piece Goods & Textiles	17,100	184,441
Vehicles	24,060	—
Wearing Apparel	108,050	140,613
Sundries	699,186	697,949
Total Merchandise ...	2,420,640	3,769,237
Treasure	1,290,000	—
Grand Total	3,710,640	3,769,237

PORTUGAL

Articles	Imports \$	Exports \$
Liquors, Intoxicating ...	10,715	—
Nuts & Seeds	—	403
Oils & Fats	—	34,440
Sundries	45,094	—
Total	55,809	34,843

SIAM

Articles	Imports \$	Exports \$
Building Materials	908,902	—
Chemicals & Drugs	—	77,953
Chinese Medicines	4,600	231,419
Dyeing & Tanning Materials	—	20,855
Foodstuffs & Provisions	237,675	588,605
Fuels	—	240
Hardware	—	30,210
Metals	—	249,558
Nuts & Seeds	166,710	9,573
Oils & Fats	96,090	70,878
Paints	—	25,430
Paper & Paperware ...	—	469,303
Piece Goods & Textiles	—	2,585,368
Wearing Apparel	—	483,169
Sundries	1,258,732	1,073,026
Total	2,672,709	5,915,587

SOUTH AMERICA

Articles	Imports \$	Exports \$
Hardware	—	625
Metals	—	30,597
Sundries	—	13,360
Total	—	44,582

SPAIN

Articles	Imports \$	Exports \$
Liquors, Intoxicating ...	30,370	—
Total	30,370	—

SWEDEN

Articles	Imports \$	Exports \$
Chinese Medicines	—	6,300
Machinery & Engines ..	7,680	—
Metals	800	73,600
Minerals & Ores	—	319,255
Oils & Fats	—	523,960
Paper & Paperware ...	56,864	—
Sundries	—	53,651
Total	65,344	976,766

SWITZERLAND

Articles	Imports \$	Exports \$
Dyeing & Tanning Materials	259,072	—
Piece Goods & Textiles	35,000	—
Sundries	162,747	11,480
Total	456,819	11,480

U. S. A.

Articles	Imports \$	Exports \$
Building Materials	8,650	—
Chemicals & Drugs	1,301,030	—
Chinese Medicines	2,422,008	716,301
Dyeing & Tanning Materials	391,689	170,880
Foodstuffs & Provisions	5,434,199	1,407,017
Hardware	228,269	17,926
Liquors, Intoxicating ...	149,953	2,800
Machinery & Engines ..	107,950	—
Manures	6,000	—
Metals	1,094,787	784,000
Minerals & Ores	—	126,269
Nuts & Seeds	30,864	193,006
Oils & Fats	2,708,356	13,578,343
Paints	130,661	—
Paper & Paperware ...	2,429,925	8,364
Piece Goods & Textiles	934,854	—
Tobacco	1,055,496	17,785
Vehicles	2,488,915	—
Wearing Apparel	657,107	3,925
Sundries	5,370,719	2,092,603
Total Merchandise ...	26,951,432	19,119,219
Treasure	14,544,560	—
Grand Total	41,495,992	19,119,219

U. S. S. R.

Articles	Imports \$	Exports \$
Metals	—	1,748,917
Minerals & Ores	—	550,545
Total	—	2,299,462

ALL OTHER COUNTRIES

Articles	Imports \$	Exports \$
Chinese Medicines	—	301,867
Foodstuffs & Provisions	—	989,075
Hardware	—	600
Metals	—	1,773,282
Oils & Fats	—	7,796
Paper & Paperware ...	754,370	—
Piece Goods & Textiles	—	255,584
Wearing Apparel	—	1,400
Sundries	—	718,473
Total	754,370	4,048,077

